`

# IMAPACT OF CUSTOMER EXPERIENCE MANAGMENT IN RETAILING - A STUDY WITH REFERENCE TO NANDED CITY OF MAHARASHTRA STATE

RESUME SUBMITED TO

**Swami Ramanand Teerth Marathwada University**

FOR REGISTRATION OF THE PhD DEGREE IN MANAGEMENT SCIENCE UNDER THE FACULTY OF MANGEMENT STUDIES.


**BY**

**HARSHAD KULKARNI**

**RESEARCH SCHOLER**

**RESEARCH GUIDE**

**PROF. J.V. JOSHI**

**PROFESSOR, SCHOOL OF COMMERCE AND MANAGEMENT SCIENCE**

**SRTM UNIVERSITY, NANDED.**

`

# I INTRODUCTION

Retailers recognize that greater understanding of customers can enhance customer satisfaction and retail performance. The most important factor for any retailer or the service provider is maximum input credential provided by the consumer for the satisfaction. article seeks to enrich this understanding by providing an overview of existing consumer behaviour literature and suggesting that specific elements of consumer behaviour—goals, schema, information processing, memory, involvement, attitudes, affective processing, atmospherics, and consumer attributions and choices—play important roles during various stages of the consumer decision process. The authors suggest ways in which retailers can leverage this understanding of consumer behaviour. Each of these conceptual areas also offers avenues for further research.

# II CONSUMER RESEARCH AND CUSTOMER EXPERIENCE MANAGEMENT

The key to retailing success is to understand one's customers. Firms like Information Resources Inc. specialize in providing consumer packaged goods and retailing client's consumer insights that pertain to their customer segments (e.g., geography and usage) and various marketing mix variables. Academic research into consumer behaviour also can guide the models used in practice. Retail practitioners have the benefits of a rich body of consumer research focusing on the customer experience, and two articles (Puccinelli et al. 2009; Verhoef et al. 2009) in this special issue highlight key areas in this research stream. Verhoef et al. (2009) recognize the importance of past customer experiences, store environments, service interfaces, and store brands on future experiences.

`

They define customer experience carefully, considering it "holistic in nature and involving the customer's cognitive, affective, emotional, social and physical responses to the retailer. This experience is created not only by those factors that the retailer can control (e.g., service interface, retail atmosphere, assortment, price), but also by factors outside of the retailer's control (e.g., influence of others, purpose of shopping)"

**Definition: "Retailing consist of all activities involved in the marketing of goods and service directly to the consumers for their personal, family or household use"**

Retailers often served as intermediately between producers and consumers. The retailers' presence or absence in the channel, as well as its value within it is determined by the retailer's efficiency and effectiveness in performing some subject of the basic marketing funding is required of the channel system.

The CEM's role in several ways, Ex – Brand, Price, Promotion, Location, Advertisement, Packaging and labelling, service mix and atmosphere are aimed to deliver a superior customer satisfaction more frequent shopping visit larger valet shares a higher profits.

1. **The Price Experience :**

   A lot rides on how a retailer sets its price. The three other "P" that earns revenue for the retailer. When the retailer prices a product or service to high consumer view it as a poor value and will not buy. A price set too low may signal low quality. Poor performance, on other negative attributes about the product a service. Although seeing "Right" price is already an important retailing task.

   The customer experience matters, and the most compelling experiences do drive increased spend and loyalty. Giving customers what they want doesn't have to be expensive, it needs to be relevant. Retailers who are successful often implement differentiated experiences to simplify the lives of their customers and make them feel valued.

`

The key is to find out what your customers want and give it to them. A well-designed customer insight study can help uncover which customer experiences matter most and to what extent they influence loyalty behaviour.

Retailers are constantly looking for new and innovative ways to improve their customers' retail shopping experience. So they find the innovative way to sell their goods by giving discounts and offers.

**2. The Brand Experience :**

The consumer comes to a retailing environment with a perception about two types of brands, the retail brand (Ex. Starbucks, Wall mart, Big Bazaar) and the manufacturer or service brand that is sold in the store (Ex. Tide, Dell or the private labelled brand) the retail brand customer experience is very important in relation to the manufacturer on very important in relation to the manufacturer or service brand, whereas the brand experience is mostly about static design elements, the customers interface includes all the dynamic exchange and contact points where the company interact with a customer. This includes face to face in a store, in sales visit, at a hotel check inn, or an ATM, and it includes mediated human interface such cell centre, email an instant messaging, building brand experience, is a part of creating experience, is a part of creating experimental platform, along with other than measure. This evolve engaging consumer through their sense.

Positive shopping experiences can have a tremendous impact on a retailer's business by increasing customer visit time, repeat visits to the store, and improving the chance customers will recommend the store to friends and social contacts. In addition, providing a positive shopping experience can help retailers build and maintain a positive brand association in the market place and keep their stores as a top of mind retail destination for shopper

Brand orientation refers to "the degree to which the organization values brands and its practices are oriented towards building brand capabilities". [It is a deliberate approach to working with brands, both internally and externally. The

`

most important driving force behind this increased interest in strong brands is the accelerating pace of globalization. This has resulted in an ever-tougher competitive situation on many markets. A product's superiority is in itself no longer sufficient to guarantee its success. The fast pace of technological development and the increased speed with which imitations turn up on the market have dramatically shortened product lifecycles. The consequence is that product-related competitive advantages soon risk being transformed into competitive prerequisites. For this reason, increasing numbers of companies are looking for other, more enduring, competitive tools – such as brands.

### 3. Promotion Experience:

Consumer promotion also takes several forms including price promotion, loss leader and in-store displays, brand switching.

New customers cost a lot of time, money, and effort. Providing great service and creating customer loyalty programs that get customers to come back, time and time again, is far more profitable and efficient as a retailer. Though the customer may not have the big-box retailer budget to launch a full-out customer loyalty program, rest assured, there are some great alternatives that also happen to be very cost effective as well.

The most beneficial of those alternatives would have to be email marketing. It's an effective way to drive customer retention and loyalty and starts as quickly as when you collect customer's email as they checkout, and then email them about exclusive sales, discounts, coupons, and other promotional offerings for a limited time period. Not only will this incentivize them to visit your store again, but it will also increase the perceived value they have of being on your email list.

Method for determining the promotional budget, as it is the most appropriate method for determining this budget, which can accomplish the objectives of the retailer. The marginal analysis method helps to find out the level of

`

promotional expenditure that maximizes the profits generated by the promotional...

Retailers spend the largest portion of their promotional budget on developing advertisements and on sales promotion activities. The retailer has a wide choice of media for advertising itself, its products and its services. While every medium has its own merits and demerits, advertising through newspapers is effective for announcing 'sales' and reaching a larger population, and advertising through TV facilitates the building up of a retailer's image. Generally, sales promotion activities are intended to meet short term objectives, like increasing the customer traffic in the store during weekends. Though promotional tools like publicity campaigns and word of mouth provide the most reliable information to the target customers.

Retailers usually follow a six-step process in developing their advertising campaigns. It involves developing the advertising objectives, determining the advertising budget, developing the message, selecting the media, scheduling the advertisements and measuring the effectiveness of the advertisements. Most of the retailers generally adopt the Cost per Thousand Method for measuring the effectiveness of advertising in the various media activities.

**4. The Location Experience :**

The location is key factor in retail marketing it has an adequate impact on the customer as well as retailer, because a key location decides the way of business is carried out. A good location is been decided on few factors like. Centre place of the city, easy reach, multiple option of shopping for the consumer in one location, a good location always benefit a good business for the retailer.

`

**5. The Advertisement Experience :**

More the retailer advertise his business that more he is accessible to the consumers, because whatever things you have with you or you want to sell it, it need to be advertise to know the people, according to the survey a retailer who advertise more gets more than 200% response from the consumer as compared to the retailer who does not advertise.

Advertisement is a tool that impact very easily, because whatever product a retailer have, or any promotion, or any offer, or any discount they are providing is been known to the consumer by the way of advertisement only. The growth of the business is depends upon a good advertisement.

## III THE ROLE OF MACRO FACTORS

For world markets in general and retailing in particular, 2008 represented a very turbulent year. Some current retailing trends result from major macroeconomic and political factors, such as dramatic gasoline price fluctuations, which influenced the cost of alternative fuels such as corn and soy, causing shortfalls another items derived from these crops and an ensuing increase in food prices. On the consumer front, many people's savings have evaporated, primarily because of the precipitous decline in stock prices, suffering real estate markets, and increasing unemployment. Consumers thus take greater care in what they buy, where they buy, and how much they will pay.

As the null entries under the column "Macro" in Appendix A makes abundantly clear, these macro factors have not received sufficient research attention. The popular press is replete with stories about the effects of economic factors (e.g., gasoline prices, inflation, recession, unemployment, interest rates, and declining stock markets) on consumer shopping behaviour. Economic and financial uncertainty also has influenced the retail environment, and several prominent retailers (e.g., Linens 'N Things, Levitz, Circuit City, Sharper Image) have either closed their doors or filed for bankruptcy protection. In such challenging

`

economic times, customers search for value: they have not necessarily stopped shopping per se, but they are shopping more carefully and deliberately. Some purchase in similar merchandise categories but at stores that offer lower prices, such as H&M, Wal-Mart, or Costco(Capell 2008; Coupe 2008), whereas others search for products or services they perceive as special because they appear stylish, trendy, prestigious, or reflective of media hype (Mui 2008).To create excitement in order to attract customers to their stores, and potentially increase profit margins, several prominent retailers have expanded their assortment of private label offerings.

They are moving beyond the idea of private labels as being only low price/low quality alternatives to national brands. Instead, retailers provide premium private labels that sometimes exceed their national brand counterparts in quality ratings, including Wal-Mart's Sam's Choice (U.S.), Loblaw's President's Choice (Canada), Tesco's Finest (U.K.), Marks &Spencer's St. Michael (U.K.), Woolworth Select (Australia),Pick and Pay's Choice (South Africa), and Albert Hein's AH Select (Netherlands) (Kumar and Steen amp 2007). Another private-label alternative uses exclusive co-branding, such that the brand is developed by a national brand vendor.

In conjunction with a retailer, and sold exclusively by that retailer. For instance, JC Penney now offers lines designed by Kenneth Cole and Ralph Lauren, called Le Tigre and American Living, respectively (Maui 2008). In this context, the stores that consumers do not perceive as offering either low prices or salient attributes are the most vulnerable.

## IV THE PRICING EXPERIENCE

A lot rides on how a retailer sets its prices. The three other Pscreate value for the seller; the fourth P of price captures value. In addition, this is the only P that earns revenue for the retailer. When retailers price a product or service too high, consumer view it as a poor value and will not buy. A price set too low may signal low quality, poor performance, or other negative attributes about the product or service. Although setting the "right" price

Is clearly an important retailing task, it is often treated as an afterthought, partly because it remains the least understood and therefore most difficult to manage task. Recent research demonstrates that a consumer's store price image likely results from anumerosity

`

heuristic, such that the greater the number of low priced products at a store, the lower is the price image among knowledgeable consumers (Ofir et al. 2008).Kopalle et al. (2009) concentrate on the interaction between pricing and competitive effects in retailing, noting the difficulty of research into category- and store-level prices, because retailers stock thousands of items, most of which are irrelevant to any given consumer. Furthermore, because different consumers buy different market baskets, a category or store that one customer perceives as high priced may seem low priced to another.

Research suggests that retailers therefore should carry some high-priced merchandise to extract rents from loyal customers and some low-priced merchandise to attract new ones, but more work is needed in this area. Moreover, the emergence of discount stores carrying fashion products and luxury brands can affect pricing in traditional retail chains (Kopalle et al. 2009).A popular pricing strategy adopts loss leaders—items priced at or below the retailer's cost. The preponderance of loss leader activity in retail stores belies the gaps in our knowledge about its impact on traffic, sales, and profits. Although store traffic increases and sales generally increase for items used as loss leaders, these loss leaders may not influence the sales of other, on-promoted items (Walters and MacKenzie 1988), and their impact on profitability is questionable. A more definitive understanding of how loss leaders affect the sales of non-promoted items and profitability would be very useful.

Retailers increasingly undertake "format blurring" or "scrambled merchandising," because different retail formats increasingly stock similar categories (Fox and Sethuraman2006). Consumers shop different store formats for similar merchandise categories and therefore can usually distinguish between pricing strategies within a format, such as a supermarket, or across formats, such as a department store and a specialty store (Inman, Shankar, and Ferraro 2004). Many retail formats use EDLP (everyday low pricing) and Hi-Lo (e.g., Bell and Lattin 1998; Gauri et al. 2008b; Hoch, Dreze, and Park 1994; Kumar and Rao 2006; Lal and Rao 1997; Shankar and Bolton2004) pricing; further research should examine how prices instores that adopt a given retail format affect sales in stores that use another format (Chu, Chintagunta, and Vilcassim 2007).It is impossible to separate the effect of individual products, the entire assortment, and promotion on price, or vice versa. Category management encourages retailers to focus on the profitability of an entire product category

`

rather than individual Brands (Levy et al. 2004), though most such research pertains to grocery store settings.

## V CONSUMER TRENDS

Behaviour of the consumer affects market allots. It has the determining factor of retails marketing and decides the trends of people's choice as per the situation, a study shows that market has always changes according to the choice of consumer but consumer never changes their choice according to market availabilities. A brief study shows that market follows consumers choice which is basically depends upon demographic location of the country, culture of the country, gender following, spending capacity, local choice of the people, their profession, there life style, In Nanded many profession belonging people are there such as Farmers, Govt. job holders, Business personals, and many more other, all the trends set according to their spending capacity, then there choice, there need etc.

## VI NEED AND PURPOSE OF THE STUDY

Nanded geographically is easy connective city to all apart of India. It has its own rich culture as it besides Godavari River. Being Municipal Corporation, the city itself has more than five Lacks of population. And being a district place it has wide connecting population from tahsils and villages. Being big city, there are variety of consumers as like farmers, industrial customers, grocessery customers and many more. Being in developing and the second biggest city of Marathwada region of Maharashtra State, it has ample choice for the retailers to serve the consumers of the city.

`

## VII OBJECTIVE OF THE STUDY

The main objective of the study is to understand the customer experience management in retail sector.

The other objectives are:

1. To study the management problem of Nanded District.
2. To study the most preferred attributes that affect the choice of retail outlet.
3. To understand the motive behind shopping in retail outlet
4. To analyse the influence of demographic impact of shopping in targeted retail outlet
5. To experience the prevailing CEM process.
6. To analyse the impact of CEM on customer satisfaction.
7. To analyse the impact of CEM attributes on the overall shopping experience of the customer.

## VIII HYPOTHESIS

This study focuses on understanding relation of retailer and consumer perception on succession retailing process and their effectiveness. Further, it is to understand if retailers perception varies on the basis of demographic factors such as gender, qualification, consumers category, income level, therefore as of the review of literature and research conductive the variable to be studied were arrived it.

The main topic to be studied will the "IMPACT OF CUSTOMERS RELATION MANAGEMENT IN RELATION – A STUDY WITH REFERENCE TO NANDED CITY OF MAHARASHTRA STATE"

The main topic to be studied will the effectiveness of the retailing management. This is dependent on the behaviour of the consumer and the retailer. It is based on the review of the variables or the independent variables, based on the review of literature and interviews of the retailers as well as consumers. The variable like "demographic effect" "age" "gender"

`

“income level” “spending capacity” “choice” ‘life style’ are mainly taken for the study. According to this variable a retailer can manage the retailing easily.

Further, since the focus will on consumer behaviour on existence and effectiveness of the succession of retails retailing.

## IX RESEARCH METHODOLOGY

The following section presents the methodology of the study.

**a) Research Design:**

The research design used for the study includes explorative, descriptive and analytical approach.

**b) Population :**

The study is undertaken across 10 different retail segments, retailers and customer in Nanded District of Maharashtra state.

**c) Sample:**

The sample size of 100 retailer were taken for study from 10 different retail segment, and 1000 customers were taken at the rate of 10 customers from each retailer were drawn by following systematic random sampling method.

**d) Period of Study:**

The period of study is 2016-2019

**e) Instrument is used for data collection:**

The data will collected by mean of self administered questionnaire, which will developed in the following stages.

`

## X ORGANISATION OF THE THESIS

The thesis has been organised into five chapters namely:

1. Chapter 1. : Introduction, Theoretical Framework and Methodology –
   Provides details of the purpose need and of the study. Theoretical framework of succession study of retailing and consumer behaviour of Nanded district, used in this study and the limitation of the study.

2. Chapter 2. : Retailers Overview and Consumer Expectation: Providing the details of Market Size and structure and consumer behaviour of Nanded city.

3. Chapter 3: Review of Literature: Provides a review of literature on succession of retail management towards consumer approach and the impact of demographic and geographic structure.

4. Chapter 4: Data Analysis and Interpretation: Provides the analysis of the data on area of retailing in the city and in the district as well as major factors affecting the retails sectors like – choice of consumer, age group, gender bisection, spending capacity.

5. Chapter 5: Findings, Conclusion and Suggestion: Provides a summary of findings, conclusion of the study and recommendations to organisation. It also includes suggestion for future areas of study within the scope of succession of planning

**PROF. J.V. JOSHI** **HARSHAD KULKARNI**

`

## STEPS TAKEN FOR THE DATA COLLECTION:

### 1 IDENTIFIENG VARIABLE AND DEVOLPING FIRST DRAFT:

The assumed and collected data for the variable interpretation in the city and the rural as well as urban area in the Nanded city and surrounding of Nanded for the study for the development of the draft.

Identifying variable and developing first draft, various dimension of the retail outlet in context of customer experience management were specified as variable for the study. These variables were indentified on the basis of previous research done in India and abroad literature source apart from discussion with some retailers.

### 2 PILOT SURVEYS:

Customer first is the basic rule of any retail industry and all advancement is to be benefited to the consumer is the most preferable action is taken by any retailer is proffered. A pilot survey is taken in the choice of consumers as it has variable determination, because lot of factor affects it. Such as Age, Income level, choice, demographic area, spending capacity, geographical area, gender and many more, so the a pilot survey has taken as per their views.

A pilot survey will done on 200 customers and 25 retailers across 10 retail segment to find exact level of understanding and rectify the errors in the questionnaire. There were no major difficulties encounted from the customer and the retailer as such after a pilot survey, the only minor change of some statement were added and deleted, or modified in terms of language

`

**FINALISING THE QUESTIONNAIRE:**

The draft questionnaire will finalised after pilot survey, by deciding on the final 2 questionnaire comprising of 1 for retailer and 1 for customer. The retailers have of 29 questions and the customer has 13 questions.

The study of retailing will mainly focus on the following 10 segments.

1. **Apparel and Textile**
2. **Books, Music and Gifts.**
3. **Fashion, Footwear and accessories and Watches.**
4. **Food and Grocery, ready to eat-Fast Food.**
5. **Furniture and Home Appliances.**
6. **Health and Beauty care Service.**
7. **Jewellery.**
8. **Mobile Handset and Accessories.**
9. **Pharmacy.**
10. **Shopping Mall**